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SUBJECT: UKRAINE: THE POLITICAL CHESS GAME: VIEWS FROM THE

SECOND BENCH

REF: A. KIEV 1773

¶B. KIEV 2781

¶C. KIEV 2735

¶D. KIEV 2805

Classified By: Ambassador, reason 1.4 (b,d)

11. (C) Summary. Conversations with key deputy party leaders from Our Ukraine (OU), Regions, and the Socialists over the week of July 17-21 revealed a complicated political chess game underway in Ukrainian politics. Regions' Volodymyr Makeyenko and Socialists Mykola Rudkovsky and Yaroslav Mendus indicated that the Regions-led "Anti-Crisis Coalition" will continue to push the initiative, seemingly confident that President Yushchenko will either agree to OU joining a broad coalition, or accede to a Yanukovych-led government without reverting to the Rada dismissal option. OU's Mykola Katerynchuk saw OU's future in rebuilding while in opposition but expressed ongoing frustration with Yushchenko's indifferent decision-making style. All predicted dozens of more "businessmen-MPs" could defect from OU and the Tymoshenko Bloc (BYuT) in the coming days, though the jury remained out on what Yushchenko/OU itself would ultimately decide to do. The end game in the last ten days of July appears set to revolve around the issues of the Constitutional Court and Yanukovych's bid for the Premiership, with Yushchenko constitutionally enabled to dismiss the Rada as of July 25, and Regions/Socialists gearing up for confrontation if he were to try. End Summary.

OU's Katerynchuk: hoping for a chance to rebuild in opposition

- 12. (C) Mykola Katerynchuk, the young, photogenic "deep orange" head of the executive committee of Yushchenko's "People's Union Our Ukraine" (PUOU) party, has the image and attitude around which Yushchenko and Our Ukraine could have based their 2005 efforts to create a real political party not tied to one political personality. Instead OU followed the advice of discredited orange oligarch Petro Poroshenko, who ultimately ran the 2006 show and embodied all of OU's weaknesses. Katerynchuk told us in May that he had advocated building a grass-roots, European-style political party in 2005 but had been overruled by others favoring a more typical Ukrainian "pro-Presidential electoral project" for the 2006 parliamentary and local elections; in making such a mistake, OU reaped what it had sowed (ref A).
- ¶3. (C) Katerynchuk previewed for us July 17 what he expected would be OU's decision that evening to go into opposition to a Yanukovych-led coalition, rather than forging a broad coalition on the terms offered by Regions. Katerynchuk uncomfortably dodged the question of what would happen if parts of the OU bloc--or indeed, Yushchenko himself--were to decide subsequently to cooperate with Regions. He allowed that Regions might succeed in peeling another 40 "businessmen

MPs" away from the orange opposition parties but predicted they would not achieve the $300\ \text{votes}$ needed to make an impeachment run.

- 14. (C) Yushchenko remained uncomfortable with the idea of OU remaining in opposition, but Katerynchuk said he had pointed to Chirac and Kwasniewski's co-habitation in France and Poland as precedents. The main issue for Yushchenko, he suggested, would be the terms of seating a Constitutional Court. Katerynchuk felt OU needed to "stay true to the Maidan and our promises to the Ukrainian people." It would be easier to build an actual political party structure while in opposition, attempting now what Katerynchuk had suggested OU start back in 2005.
- 15. (C) Katerynchuk expressed frustration with Yushchenko's management style and seeming indifference to party matters. Even though Katerynchuk was the head of PUOU's executive committee, he had only had two conversations with Yushchenko on party development issues in the past year, and Yushchenko's indifference to party development had been clear. While Katerynchuk seemed to rate the possibility of Yushchenko dismissing the Rada and calling the elections currently as low, he said a Rada dismissal could offer OU a new chance, as well as a moment of truth. Either OU reformed its approach, or it would slowly die, like the sinking ratings of Yushchenko as President.

Regions' Makeyenko: OU should have taken the June 20 deal

16. (C) Volodymyr Makeyenko is an atypical Regions' figure: not from the east (Chernihiv), affable, and seemingly genuinely pro-American. He abandoned OU in 2004 out of frustration with Yushchenko's management style but used old

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relationships to negotiate the September 2005 MOU between Yushchenko and Yanukovych which secured Yuri Yekhanurov's confirmation as PM and the rehabilitation of Yanukovych and Regions. Appointed a deputy chair of the powerful budget committee July 18, he might emerge as chair if current Chair Mykola Azarov moves into the Cabinet, as Regions expects.

- 17. (C) As Regions' heavyweights Yanukovych, Akhmetov, and Kluyev had done in recent conversations with Ambassador, Makeyenko rued Yushchenko's decision to "walk away" from a Regions-OU coalition agreement which Makeyenko claimed they had all signed June 20, in favor of the "Coalition of Democratic Forces" signed with Tymoshenko's Bloc (BYuT) and the Socialists June 22 instead. Makeyenko called July 18, the day Rada committee assignments had been approved, a key day in Ukrainian political history. The telling greed in the eyes of OU heavyweights like Poroshenko and Martynenko when offered plum committee chairs showed they were "no longer with the President," said Makeyenko. Businessmen from both BYuT and OU, particularly the Poroshenko, Kinakh, and Yekhanurov groups, would soon flock to the anti-crisis coalition, he predicted confidently. Poroshenko in particular had expressed bitterness at how Yushchenko had treated/dismissed him last September and had made clear "his people," including Korol and Zhebrivsky, were ready to cooperate.
- 18. (C) The strain on personal relations between Yushchenko and Yanukovych in the aftermath of 2004 Presidential election was the main obstacle to Yushchenko accepting Yanukovych as PM, said Makeyenko. Regions was confident, however, that by July 28 Yushchenko would have accepted Regions' terms, since the June 20 deal which would have given the PM slot to OU/Yekhanurov was irrevocably off the table. The logic was strong: unite east and west, form a pro-Ukrainian government with no need to be pro-Russian, and rid the coalition of the communists, who would be happy to cash out one last time.

¶9. (C) Mykola Rudkovsky and Yaroslav Mendus are the main Socialist links to Regions, identified by Socialist dissident Iosef Vinsky July 6 as the duo who negotiated Moroz' deal with Regions. Rudkovsky has also been fingered by several sources as the alleged backdoor connection between the Kremlin and Moroz to seal Moroz' betrayal of OU and BYuT. True to reputation, in our July 20 discussion, the duo sounded like Regions' most unapologetic hardliners, such as Andriy Kluyev (ref C), often times using the exact same phrases and threats. Rudkovsky relished the current confused Ukrainian political scene, calling it a grand chess match.

- 110. (C) The door of the anti-crisis coalition agreement remained open for new members, said Mendus, with the July 18 committee assignments for OU a clear signal. They expected OU would join the coalition in two stages: first individual businessmen, and then the entirety of OU after Yushchenko saw the wisdom of joining. If Yushchenko foolishly chose to try to dismiss the Rada, however, Moroz and their Regions' partners would not accept such a move. Mendus growled that calling for new elections was an invitation to a "soft civil war." Attempts at dismissal would also be grounds for an impeachment action against Yushchenko, Rudkovsky warned.
- 111. (C) On Constitutional Court judge nominations, Mendus claimed that the law required renominations by the President and the judiciary because the Rada had not acted within 30 days last November (note: the language of Article 17 of the Constitutional Court law can be read in two ways requiring Rada action within 30 days, or requiring renomination after 30 days. Without a Constitutional Court to pass judgment, both sides will attempt to use their interpretation of the law to shape public opinion in the coming days. End note). Alleging that BYuT was planning on trying to use electronic shock systems to disrupt any Rada vote on the PM, Rudkovsky threatened that a Rada majority would be ready to vote to lift MP immunity to allow for an investigation/prosecution of such a "criminal act" threatening other MP's health and safety (note: we pushed back, warning against such rash steps, particularly in the aftermath of the coalition having seated 2004 Presidential elections falsifier Serhiy Kivalov as Justice Committee Chair).
- 112. (C) Rudkovsky and Mendus professed to be indifferent to rumored plans by Socialists unhappy with Moroz' deal with Regions to start a new party called the "European left." Rudkovsky sniffed that it was an idea inspired by Yushchenko and Acting National Security and Defense Council Secretary Volodymyr Horbulin, concocted with ex-Socialist Acting Interior Minister Yuri Lutsenko, but destined for failure.

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The Socialist party had made the right choice to remain in power and in position to affect policy. Acknowledging that they would have been left out in the cold if OU and Regions had consummated the June 20 blue-orange coalition, Mendus stressed that this made the Socialist July 6 transition to the "anti-crisis coalition" much easier: the Socialists only consummated what OU itself had planned to do.

- 113. (C) That said, the Socialist duo stressed the advantages to the country of OU joining the broad coalition. It would provide institutional balance between the Presidency, Cabinet of Ministers, and Rada, preventing domination by Regions. The Socialists were ready to work constructively on NATO relations, Mendus took pains to add. The key to moving forward would be to change the mentality of the population and show the benefits of NATO to Ukraine.
- 114. (U) Visit Embassy Kiev's classified website at: www.state.sgov.gov/p/eur/kiev.
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